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RUEHBJ/AMEMBASSY BEIJING 5561
RUEHUL/AMEMBASSY SEOUL 4267
RUEHCHI/AMCONSUL CHIANG MAI 4813
RHHMUNA/CDR USPACOM HONOLULU HI
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C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 000468

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SUBJECT: CHART THAI LEADER AND AMBASSADOR DISCUSS CABINET,
DRUGS, ECONOMY

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Classified By: Ambassador Eric G. John, reason: 1.4 (b) and (d).

SUMMARY

11. (C) Former Prime Minister Banharn Silapa-Archa told the Ambassador he had decided to join the People's Power Party's governing coalition in order to promote stability. In a February 12 meeting, Banharn said Prime Minister Samak Sundaravej had shown signs that he might exceed low popular expectations. Banharn said it was important to amend the constitution to tone down strict conflict of interest rules. After the Ambassador emphasized his interest in promoting trade and investment, Banharn spoke encouragingly about the government's plan to proceed with large infrastructure projects. The Ambassador expressed concern with the possibility of a return to Thaksin-era counternarcotics efforts; Banharn suggested a new counternarcotics campaign could avoid excesses of the past. End Summary.

IF YOU CAN'T BEAT 'EM, JOIN 'EM

12. (C) In a February 12 meeting with the Ambassador, former Prime Minister (and current Chart Thai Party Leader) Banharn Silapa-Archa explained that he had decided to join in the People's Power Party (PPP) coalition in order to promote political stability. Banharn said he felt comfortable with the Democrat Party (DP), one of his partners in the 2005-2006 parliamentary opposition block. Nevertheless, a coalition of the DP, Chart Thai, and the Motherland Party (which cooperated closely with Chart Thai during negotiations after the December election) still would have fallen short of commanding majority support in the House of Representatives. These three parties would have controlled enough votes to bring down the government, since any legislators serving as Ministers, as well as the House Speaker and his deputies, are prohibited from voting on a no-confidence motion. However, Thailand would be better off without further instability;

Banharn portrayed his decision to join with PPP as motivated by the desire to spare his country from further turmoil.

REMARKS ON PRIME MINISTER AND CABINET

13. (C) Describing his longstanding relationship with Prime Minister Samak Sundaravej, who had served as Deputy PM in Banharn's cabinet, Banharn said Samak was easy to talk to and capable, and he understood important issues well. Nevertheless, Samak would need to show a new attitude in order to run the country effectively -- specifically, Banharn acknowledged, he would need to be less aggressive and more in control of his temper, especially in his dealings with journalists. Banharn said he had seen signs Samak was adjusting his manner of dealing with people.

14. (C) The Ambassador asked Banharn's view of the current cabinet. Banharn indicated he considered some of the media's criticism (which claims some members lack suitable credentials) legitimate, saying some cabinet members did not appear well suited for their positions, and there would likely be a reshuffle after six months. He lamented strict conflict of interest rules in the 2007 Constitution that deterred many people from joining the cabinet. Banharn regretted that these rules also precluded legislators from serving in advisory positions in Ministries. It would be important to amend the constitution, although not immediately, in order to revise these provisions. Banharn also complained that the Constitution made it too easy for wrongdoing by political party members to lead to a party's dissolution or even the imprisonment of the party leader. (Note: Chart Thai is currently under threat of dissolution because of Election Commission findings that a Chart Thai executive engaged in vote-buying in the December election. End Note.)

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REVITALIZING THE ECONOMY

15. (C) The Ambassador explained his interest in promoting trade with and investment in Thailand. Banharn said that the key to revitalizing the Thai economy was ensuring a flow of money down to the grassroots level and encouraging consumption. He welcomed the currently high prices of agricultural commodities, saying these would benefit farmers (and noting as an aside that he was pleased his party members were in top positions at the Agriculture Ministry). He hoped the government would proceed with major infrastructure development projects, saying he felt the government had the necessary resources to finance them. He also said the Ministry for Tourism and Sports -- now headed by a Chart Thai Deputy Leader -- would aim to establish one of Thailand's islands as a major tourist attraction, with a casino, a free port, and other special tax regulations.

WAR ON DRUGS

16. (C) The Ambassador expressed concern about a prospective revival of the Thaksin-era "war on drugs." Banharn acknowledged the problems associated with the Thaksin policy: law enforcement personnel in each province were given numeric targets to meet, with the top performers receiving awards, and they sometimes took action against targets without evidence of wrongdoing. Despite those prior abuses, Banharn hoped for a new anti-drug effort, saying that drug trafficking had worsened in Thailand during the interim administration, especially in the southern border provinces. He said law enforcement efforts should be accompanied by education and job creation, which would provide the poor with alternatives to engaging in the drug trade.

COMMENT

17. (C) Banharn may well have been motivated principally by self-interest when deciding to team up with PPP, but he presents a reasonable case that it is in the nation's best interest to have a large governing coalition. Banharn leads the most independently-minded party in the governing coalition, and his willingness to give Samak and his PPP allies a chance to prove themselves provides a hopeful sign that the political arena may be reasonably stable in the near term.

JOHN